

Position of foreign employees in Finnish labour market.

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<p>The aim of this bachelor' thesis is to find out what position of foreign employees in Finnish labour market is. The study focus on influence of foreign employees on economy in general, the current labour market situation in Finland and the position of foreign employees in the country.</p> <p>The thesis consists of 1) a theoretical part, which is divided into two chapters, 2) a case study and 3) research with conclusions. The research is qualitative, with semi-structured interviews. These were submitted to immediate employers or professionals in different business fields, whose opinions support the overall theoretical material.</p> <p>The six chapters are structured as follows:</p> <ul style="list-style-type: none"> • An introduction • A theoretical section providing information about globalization, a controlled type of market economy, immigration and its effect on the labour market • The latest statistics about the immigration situation in Finland, giving a view on foreigners' position in the country and presenting an integration programme • A case study shows a practical example of the recruitment of employees from abroad, paying attention to its influence on business, its development in practice and the interaction between different bodies involved towards one common goal, which is to provide a sustainable labour force. • A research part supporting the relevant theoretical material by examining whether in fact the employment of foreign employees has been seen as beneficial • A concluding chapter summarizing the thesis and drawing conclusions from it. <p>The findings show that Finland is in phase of demographic change, where the government is working hard to implement new programs and to ensure sustainable economic growth for the future. It appears that immigrants in the Finnish labour market have the potential to be successfully integrated into Finnish society, to help raise the level of intercultural knowledge and to help support a general attitude among the native population that there is indeed a need for foreigners in the Finnish workforce.</p>	
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1 Introduction

Over the next decades demographic changes will tighten the labour market in EU. European population face significant aging problems. To replace an existing population fertility rates are too low and will decline even further (Dicken 2011, 512). In addition life expectancy continues to increase, thanks to improved healthcare. Consequent flow of new labour force might not be enough to compensate the retiring one (European Commission March 2013, 4-10). That all affect labour market supply, demand for certain skills grow and enormous pressure is placed on economic growth and development. (Manpowergroup 2013, 2).

Bearing in mind all major political obstacles, Dicken (2011, 519) stress on pressing need to rethink immigration policies for proponents. One of the reasons for enlightening immigration question is the fact, that in most developed countries, including Finland, is a severe shortage of labour, which applies for such sectors as IT, healthcare and lower- skill services.

Despite of companies' globalization, high technology growth and difference in legislations, hiring qualified employee, still remains difficult issue in field of human resources (Stamet & Waasdorp 2006, 11). That is why we want to enhance our knowledge in today's labour market situation in Finland as well as foreigner's position in here, which put us to deal with economics and international migration. Doing so, we concentrate on potential and qualified labour force.

Tatiana Beloborodova: Born in other country, of being an immigrant from Russia, having gone through all possible challenges such as cultural shock, acceptance new society and urge for being accepted, created what I am today. Russian - Finnish dual citizen, third degree student, earned eight years work experience in logistics with active, positive and responsible attitude towards life. During last year of studies I had troubles to find a job in Finland, therefore I tried to get one in Austria and luckily got employed. I moved for work from Finland and become an immigrant again. All this inspired me to get more knowledge in today labour market situation and impact of

foreign employees on labour market in general. To narrow the study for the situation in Finland felt right.

Maria Kangasaho: Is a fourth year student and being an independent entrepreneur, has had the pleasure of experiencing many cultures during life. I have 18 years experience in competitive ballroom dancing, what has taken me to high level both nationally and internationally and I gave a great joy of working with many top Finnish and international teachers and dancers. Being half Russian half Finnish, I have learned to understand other cultures better and been lucky to have personality that has combined these two culture together. During last four years of my professional career and with studies I have dealed a lot with foreigners and therefore the topic is interesting for me.

Another good reason to undertake research is approved in 2010 the Europe 2020 Strategy towards smart, sustainable and inclusive economic growth. The strategy sets its own corresponding national targets where, in case of Finland, given recommendations are related to the long-term sustainability of public finances, productivity of public services, reducing unemployment, increasing competition, business structure diversification and wage development. Additional reasons are constant signals about tight labour market, high unemployment rates and demand for skilled labour force. Consequently as reasons above deal with immigrants as potential work force we want to take closer look on these drivers of economy and how the contribution of foreign workers is seen by direct employers today.

The aim of this study is to provide enlightenment on current labour market situation in Finland in terms of foreign workers and to understand the impact of immigrants on labour market. We will arise such questions as how employment of foreign workers effect on labour market, whether it has been seen beneficial and what has been done by Finnish government to improve the integration of immigrants?

To summarize and put into one picture the theoretical material namely Controlled Market Economy, global economic forces, demographical change issues, its' effect on labour market, EU's role and its strategies' influences on decision making in Finland, will be used case study "recruitment of nurses from Spain" as well showing the typical

process of recruitment and main challenges appeared. In that way we will show the effect on HR development, other co-operation and management practices, highlighting possible stimulation of new job creation. In addition such issues as reasons for companies to recruit foreigners will be mentioned.

The goal of our research is to support the gathered theory. We represent answers from interviews which were conducted with direct business makers who are involved in recruitment, employment or working with foreign workers. The findings will be compared and discussed at the end.

2 Macroeconomy

In this chapter, via mentioned above globalization and demographical changes we will take a look on its effect on economy, moving to migration concentrating on immigration and its effect on labour market. After, we will try to find the main winners in employment of immigrants. Third to narrow the phenomena we move to European Union and its strategy through presenting one of models of market economy applied inter alia to Finland. Finally we present, lately attracted attention, such tool for rising competitiveness as highly skilled migrants.

2.1 Globalization effect

The concept of globalization has been embraced by thousands academics, with the number of articles and books and it is consistently described as the most powerful force for change in the modern world economy. At a worldwide level, “globalization is the ever-increasing interaction, interconnectedness, and integration of people, companies and countries, that is creating the political, economic and social structure of the new world” (Briscoe & Schuler, 2004, 14).

The current blast of interest in globalization impact cause feeling that something fundamental is happening in the world; that there are lots of ‘big issues’ that are in different ways interconnected under the sort of umbrella term ‘globalization’ (Dicken P. 2011, 2).

The notion of recent and rapid process of economic globalization is claimed to be in the emerging process, where distinct national economies and its management strategies are diminishing. The world economy has internationalized in its basic dynamics and is dominated by uncontrollable market forces (Edwards & Rees 2011, 13-14).

Another analysis of globalization would look at connection between countries and nature of cooperation. In comparison to previously written, according to Edwards and Rees (2011, 20-21), the last quarter of the twentieth century witnessed a change in the pace of growth in the connection between countries: trade and foreign direct

investment increased sharply; financial markets were deregulated and became highly internationalized; information exchange across borders became dramatically faster and cheaper, and many more. Therefore many specialists argue that the ties between countries are becoming stronger.

Technological change and advancement have had a significant role within the view of globalization. Countless authors have stressed the relationship between globalization and technological development and transport, communication and data processing thanks to possibilities offered by the Internet. Today information and communication technologies offer new ways of handling information, which in turn contribute to design of effective organizations. As a result the demand for highly skilled workers has increased and in order to keep a competitive edge in rapidly changing market, businesses call for skilled work force not only to develop and implement these technologies, but also to facilitate the fast diffusion and consumption of knowledge (Stamet & Waasdorp 2006, 7). That has to do with fall in cost of international travel which allows people travel more frequently for different purposes. The reduction in cost of international travel coupled with the reduction of barriers to migration in areas like the EU have led to a growth in international migration (Edwards & Rees 2011, 14).

Looking at the complex interrelationships between processes of globalization, national systems and companies, we can better understand constantly developing international human resource management strategies and practices. Some argue that the global influences on management action are such significant developments as in IT meaning that ideas and technologies are spread around the globe more quickly than ever before; large chunks of the world, that were recently closed for the international economy, are rapidly becoming integrated into it; and many sectors that had before been subject to close regulation and ownership restrictions have been liberalized and, subsequently, internationalized. Furthermore, a key feature of globalization has been the growth of MNCs, and controlled by them chains of production and service provisions (Edwards & Rees 2011, 26-27). This process of globalization in turn has increased the demand for international skills such as knowledge of foreign languages, markets and cultures. It has also tighten the labour market in a way that some regions already have certain skill

shortages such as engineering and IT. In case of knowledge-driven economy there is increasing demand for highly skilled workers (Stamet & Waasdorp 2006, 7).

In term of business, globalization also refers to the integration of an organization's operations, processes and strategies into diverse cultures, products, services and ideas. Because of its emphasis on diversity, globalization also has a deep impact on the way companies manage their employees and so it puts businesses to improve their HR strategies. A push toward global recruitment is replacing the traditional model of employing and organizations can now recruit employees from all around the world to fulfill labour shortages (example of such case will be represented in Chapter 3 via case study) or fill available positions with the best required talents, even if it takes additional costs.

There are different forms of globalization such as economic, political, cultural and social, which are often linked to each other. The economy itself is sort of unit presence which is deeply embedded in social, cultural and political processes and institutions and these themselves, often substantially are influenced by economic values (Dicken P. 2011, 4). Not surprisingly, this is a highly controversial topic.

2.2 National systems and companies

Beside the global the national perspective is perceived as very influential, and it is important to understand the role of states and their reciprocal collaboration with different organizations, institutions and companies. Next we take these issues further to understand the impact of nation on management action.

The opening up of markets, liberalization of trading and capital relations as well as making labour markets more flexible in the era of globalization, has become essential and so it appears to be common generalization among those concerned. The 1990s faced the rapid development of international discussion around changes in interpretation of capitalism, which examined the trends of change in the light of globalization (Hoffmann J. 2004, 5).

Dicken (2007, 177) says that specific cultural and institutional forms evolved, the best support understanding the macro-structures of the global economy. There is no one uniform form of capitalism but it is variegated. There are a lot of detailed studies which have examined the processes where distinctive features of different countries are co-ordinated and developed by particular systems of economics, and how institutional factors might account for these (Edwards & Rees 2011, 41- 42).

To understand linkage between national systems and companies we confine the topic to representing “Varieties of Capitalism” work of Hall and Soskice (2001), outlining the differences between two main variants of capitalism - the liberal market economy (LME) – such as the US, Britain, Australia, Canada, New Zealand, and Ireland- and the coordinated market economy (CME) – with Germany, Japan, The Netherlands, Sweden and Finland, concentrating on the latter. Hall & Soskice (2001, VI) write that "many kinds of social policies actually improve the operation of markets and enhance the capacities of firms to pursue distinctive strategies, thereby inspiring active support in the business community".

Both LMR and CME can ensure high levels of overall economic performance, but they implement that in different ways. Therefore in LME' coordination of economic behaviour rely on dominant role of market and in CME is more often addressed via non-market coordination and involve collaboration and strategic interaction (Hall & Soskice 2001, 27). Edwards and Rees (2011, 42) summarize characteristics of these types as follow: LME's are identified as short-term oriented company finance, deregulated labour markets, general education, and strong inter-company competition; and CMEs by long-term industrial finance, co-operative industrial relations, high levels of vocational training, and co-operation in technology and standard setting across companies.

In CMEs, companies build their businesses, resolve many problems and challenges through strategic interaction where result partly depends on the presence of supportive

institutions¹. These institutions offer companies a particular set of opportunities whether in the form of industry-specific training, education, collaborative research and development, financial support or alike. All that create sort of strategy which consequently guide companies' practice (Hall & Soskice 2001, 9, 15 -22).

The approach is used in many EU member states, where regulation of labour market offers organisations to draw their pool of employees from, e.g. various interventions in education, life-long learning and tax incentives. In this way states shape and influence business strategy, and companies, and reflect distinctive "ways of doing things" write Edwards and Rees (2011, 25-26) referring to Weiss (2003).

Talking about pools of employees concerning mentioned before demographical changes, new global economic dynamics, technological revolutions, social networks and labour shortages let us move to migration issues as it represent integral part of the European Union's potential labour force.

IOM World Migration Report 2010² sees migration as an integral feature of the world today and promotes building capacities to enable States and other stakeholders to respond to and plan for migration effectively and in a sustainable way. Furthermore the international migration is likely to transform in scale and reach its complexity due to the facts and will be associated with increasing opportunities – from economic growth to social and cultural innovation. Naturally existing problems there will be exacerbated and new challenges generated therefore the need for better improvement of migration management will remain (IOM 2010, 1).

¹ Following North (1990: 3), institutions are defined as a set of rules, formal or informal, that actors generally follow, whether for normative, cognitive, or material reasons, and organizations as durable entities with formally recognized members, whose rules also contribute to the institutions of the political economy (Hall & Soskice 2001, 9).

² The IOM World Migration Report 2010 The report's three main messages on the future of migration have clear policy implications. First, the relentless pace of migration and new migration challenges mean that governments must make a concerted effort to manage migration. Second, it is essential for governments to systematically engage adequate financial and human resources to ensure that States and migrants reap the full potential of future migration. Third, the risk of not putting in place adequate policies and resources is to lose a historic opportunity to take advantage of the benefits of this global phenomenon.

2.3 International migration and trends

The openness of a global economy from 1870 to 1914 shows up at best changes in migration when we examine the patterns. Industrialization concentrated on Europe, North America, and Japan was the context for increased migration of settlers and workers. The nineteenth century claimed the highest migration rate in history as almost 60 million Europeans moved to the Americas. (Table 1). Massive internal migration also took place within the major sending regions of long-distance migration. In Europe, migrants from Ireland travelled to England for work, and from eastern and southern Europe to industrial areas in northern Europe, especially France and Germany (McKeown A. 2004, 161 - 166).

Table 1. Major long-distance migration flows, 1846-1940.

(McKeown A. 2004. 156)

Destination	Origins	Number
Americas	Europe	55-58 million
Southeast Asia, Indian Ocean Rim, South Pacific	India, Southern China	48-52 million
Manchuria, Siberia, Central Asia, Japan	North eastern Asia, Russia	46-51 million

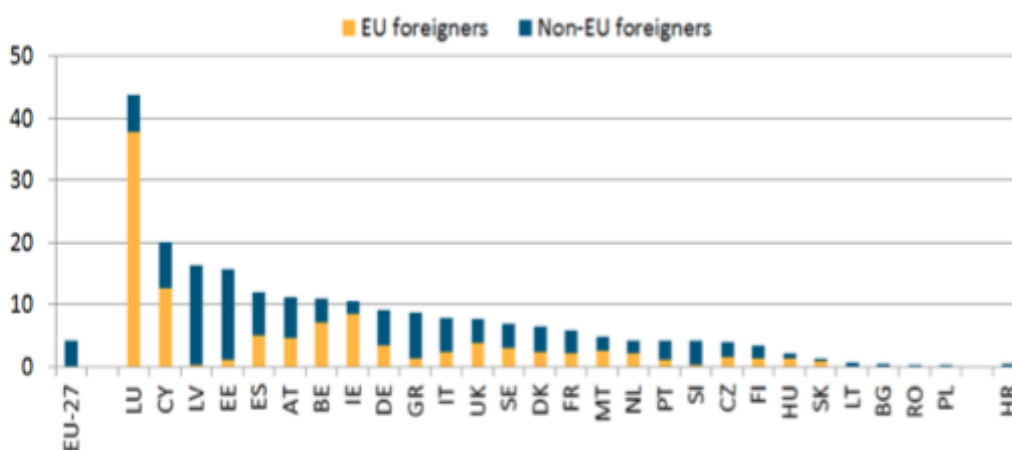
Back then international migrants made up 10 per cent of the world population and it was significantly higher comparing to present only 3 per cent. On the other hand, Dicken (2011, 515) states that in absolute terms, international migration today consist of 200 million migrants, to which must be added a further around 25 million unauthorized migrants, and is on its highest point.

Migration is an important element in the economic, social, and political landscape of many European countries (Pekkala & Kerr 2011, 1). During 2011 there were an estimated 1.7 million immigrants from a country outside the EU-27. In addition, 1.3 million people previously residing in an EU-27 Member State migrated to another

Member State. From those living in an EU-27 Member State 13.6 million people had citizenship of another EU-27 Member State on 1 January 2012 (European Commission 2013, 18-19).

The majority of these EU27 foreigners tend to move to larger countries like Germany, Spain, Italy, The United Kingdom and France (European Commission 2013, 19). Measured in terms of population shares, foreign nationals were of comparable importance for many of the smaller economies in Northern Europe. Smaller and geographically remote nations like Finland have its share below average (Figure 1.) (Pekkala & Kerr 2011, 1).

Figure 1. Share of foreigners in the resident population, EU-27, 1 January 2012, (%) (European Commission 2013, 20)



Migration as any other phenomenon might be caused by many different reasons and put or force people to leave their countries of births. Largest share of migrants move for reasons of family reunions, following by as well high number for study or work, while others escape from political or religious problems.

Occurring in terms of geographical distances in migration vary as well. Sufficient proportion on migrants occurs close to the place of birth, for understandable reasons such as cost, greater knowledge of closer opportunities, cultural awareness and better compatibility. The other long-distance, often intercontinental, migration flow is even above the short one (Dickens 2011, 515).

International labour migration is defined by IOM as "the movement of people from one country to another for the purpose of employment". Today, an about 105 million people work in a country other than their country of birth. Labour mobility has become a key feature of globalization and the global economy with migrant workers earning hundreds of billions in 2011 (IOM 2013).

There is common ground that labour migration under proper management has far-reaching potential for the migrants themselves, their communities, both countries of origin and destination and for employers. Taking into account all the possible drivers for increasing migration. Therefore as a result international migration is seen by both sending and receiving countries as integral part of their national development and employment strategies. Mentioning benefits of migration countries of origin relieves unemployment pressure and contribute to development through knowledge transfer, remittances and enhancing of business networks. In case of destination countries these are for example meeting labour shortages or causing government's encouragement to up-skill the native workforce (IOM 2013).

After all, especially in European Union, there have been talks about lack of jobs to meet the demands of already existing population. As always things are not as simple and such considerations, together with fears of social instability between natives and immigrants have made current immigration policies in most developed countries rigid instead of developing them in order to raise mobility towards sustainable migration (Dickens, 2011, 519).

There is another concern among natives toward immigrants and according to drawn data from the European Social Survey, for example, there are almost 38 per cent of UK residents who agree with the statement that immigration lowers wages in the receiving country. That moves us for question whether these concerns are justified. And the only evidence is that immigration does in depress wages or leads to large negative employment effects is at best mixed (Blanchflower, D.G., Saleheen J. & Shadforth C. 2007. 1-2). Therefore in next subchapter we rise question of immigrant workers' impact on the labour market.

2.4 Impact of immigrants on the Labour Market

The effect of migration on the economy has been an important issue for many economists. Questioning if immigration lower earnings and employment opportunities of native-born workers, the popular belief is that immigrants harm the labour market prospects of native-born workers, seemingly consistent with the most basic tenets of supply and demand (Bond M. & Gaston N. 2011, 400-401).

Talking about working immigrants they are usually noticed fulfilling special niches in labour market and because of their economic insecurity are more vulnerable and likely to take up any offered them work opportunities. Consequently they are often founded in jobs that are unattractive to native-born workers (Edwards & Rees 2011, 279). Edwards & Rees, referring to Cangiano et al. 2009; Mc Gregor 2007, point out that it is not low salary but status with opportunities for advancement what makes natives refuse these jobs. Even in such professions like medicine comprise certain unwished specialties that lie outside the main career structure that are hard to fill.

There are many studies done examining the US labour market with several studies also exploring the European contexts. The influence of immigrants into host' country labour markets is typically studied with most attention paid on wages and employment rates of immigrants comparing them versus natives concerning the time of immigrants' entry and over the duration of stay (Bond M. & Gaston N. 2011, 410; Pekkala & Kerr 2011, 5).

Benton and Petrovic (2013, 40), referring to Peri (2010), states that immigration can have both positive and negative economic impacts on receiving countries. Immigrants contribute to public finances, support the development of new industries, and create new jobs. But they can also compete for jobs with local workers and bring earnings down if they work for a lower wage. Finally, immigration might have a worse impact under less favorable economic conditions: a boom might spur the creation of new jobs, while a weak economy often prompts more competition for existing jobs.

Research "The Impact of Immigration on Australian-born Workers" made by Bond M. and Gaston N. (2011, 410) indicates a complementarity in production between domestic workers and migrant workers. There are some educational groups which might be negatively affected by immigration but a general level there are no negative effects. In fact they find significantly positive effects on the earnings outcomes of native-born workers at a national level such as: immigration boosts the domestic labour supply and increases aggregate demand, consumption spending, investment and government expenditure and so these factors increase the demand for labour.

Giovanni Peri (2010, 7) finds from new analysis and studies about the impact e.g. in the US that during economic downturns, but not the economy growth, short-run immigration might have small negative effects such as lower wages and slight reduce native employment at first because of government's slow respond to demand of new job creation.

Concluding the topic we want to point out that there are some studies, which provide conflicting results but overwhelming majority of the research finds little or no negative effects of immigration on the labour market outcomes of native workers on any of variables in the long run. Plus migration has been seen beneficial amongst government, employers and unions.

As we have seen above there is a great deal of studies focused on effects of international migration on economics. Therefore next we under question what have been the impacts on employers and workers of the increase of immigrant workers.

Edwards and Rees (2011, 283) writes that the main beneficiaries are seen employers. They have drawn on migrant labour to address labour shortages or to fill low paid jobs in such sectors as agriculture, construction, hospitality, care work or food processing.

Comparing to the US in Europe natives earn more than immigrants write Pekkala and Kerr (2011, 6) but these differences varies greatly for example across or between countries and time, however, there are some groups of immigrants which earn even more than natives. One of reasons which explain gaps in earnings is education level

among immigrants. The same authors refer to research on linguistic skills of immigrants, which shows that even if there is a gap in earnings at entry, it diminishes within time spent in host country. Diminish happens as soon as immigrants improve local language skills or obtain more education.

2.5 Creation of new strengths via diversity

All involved in migration process like immigrants themselves, employers, government, recruitment agencies and other national bodies constantly shaping and seeking to improve the system in a more efficient way. This is evident e.g. from Finnish government strategy of managed migration and the European Commission's stress on attracting highly skilled workers to boost EU competitiveness (Ministry of Finance 2013).

As we mentioned at the beginning of this chapter EU member states (CME) including Finland seek to regulate own national economies proceed from EU Commission objectives among others. Therefore the strategy to mention today is "Europe 2020". The main goal of it is creation of new strengths, therefore the Finnish Government e.g. aims to increase the number of innovative, fast growing and internationalising companies.

Starting already in 2007 reform measures and use of structural funds has been used for such programs and projects as (Ministry of Finance 2013, 36 – 47):

- In 2007–2009, Strategic Centres for Science, Technology and Innovation (SHOK) were established in Finland as a new kind of cooperation platform for innovative companies and world-class research. The aim of which is to create globally significant breakthrough innovations in strong areas of Finland.
- Strategic development programmes to promote growth, competitiveness and employment as well as to diversify the business sector are implemented as Government's spearhead projects.
- In 2012, the Business Programme for the Environmental Sector, Cleantech, was launched. The aim is to create at least 40,000 new Cleantech jobs by 2020 and to

double the combined turnover of Finnish clean tech companies. Public sector demand is used to support rollout of innovations in the field.

- Preparation of National Bioeconomy Strategy was started in completed in spring 2013. The aim is to generate new business activities and improve employment by developing products and services based on renewable natural resources.
- The Strategic Programme for the Forest Sector have been launched to promote competitiveness, growth and export, commercialisation of new products and the growth of small and medium-sized companies in forest industry and especially wood product industry.
- An action programme for creative economy was drawn up in 2012 and national design programme was completed in March 2013. Team Finland activities were launched in February 2013 to promote Finland's economic foreign relations, country image, internationalisation of companies and investments directed at Finland.
- New research and innovation policy action program me will be launched in addition to research, development and innovation measures already taken and it will support the implementation of the European Research Area.
- Other measures affecting growth and employment within the field of education policy: Revised at the beginning of 2013 university funding model of universities of applied sciences will be revised at the beginning of 2014. The number of completed qualifications and study progress will affect funding more than before. The reform will improve completion of studies, accelerate the transition to working life, boost the quality and internationalisation of teaching and research, and strengthen the specialisation of higher education institutions.

Would national labour force be enough to achieve such solid and ambitious goals, especially at this time of demographical changes, or is it so that each project and established goal has to do with immigration and foreign workers as potential fork force?

Therefore next we would like to highlight workforce diversity issue, which has got a lot of attention during last few years because many companies recognized that they can benefit from it and it is primary seen by businesses as one of tools to increase competitive advantage.

Canas and Sondak (2008, XII) understand diversity as:

"A matrix of dynamic and interrelated identity groups, that operates on multiple dimensions including primary and secondary personal characteristic and organizational context". These dimensions are continuously interacting as they unite to represent a person in his or her entirety. Primary dimensions - those that most profoundly define us - include gender, race and national origin, age, religion and spirituality, sexual orientation, and disabilities. Secondary dimension - often just as significant as the primary dimensions but more likely to change- include military experience, parental status, educate background, social location/economic status, and geographic origin and location. Organizational contexts - which are specifically related to the workplace - include work content/field, formal and informal status, division / department, work location, and union affiliation".

In our study we concentrate on the second dimension about diversity in educational background, social location, geographic origin and location.

Let us start with Giovanni Peri (2010, 7) who refers on different studies and lists several channels, which affect the impact of immigration on total-factor productivity of work as follow:

- Gain from specialization might be produced via promoting efficient specialization of workers and better allocation of skills to tasks, as immigrants specialize in manual jobs (Peri & Sparber 2005).
- Relative productivity of less-educated workers might be increased by encouraging adoption of the most appropriate for them techniques (Lewis 2005).
- Range of services might be increased by migration (Neumark & Mazzolari 2009).
- Innovation might be boosted by highly educated immigrants, which are specialized in technological and scientific occupations (Kerr & Lincoln 2008; Gauthier-Loiselle & Hunt 2010).

Jeremy Tipper (2004, 158) at his article "How to increase diversity through your recruitment practices" refers to Dr John Sullivan, head of the human resource programme at San Francisco State University, who suggests the following key facts to achieve potential commercial impact via diversity:

- Enhance of evaluation and problem-solving ability
- Product sales increase as a workforce reflects on product development through diverse experiences and knowledge frames, which make product features more likable and utilizable by wider amount of people.
- Effectiveness of marketing field increase. As advertisement is mainly meant for broader cultural audience the impact of diverse groups working on campaigns make it more effective.
- Belief that diversity attracts and retains top performers, increase expectations for more diverse work force among more diverse stockholders.
- Customer service is better as diverse background of employees can provide special service if it is needed.

Bellini, E., Ottaviano, G. I. P., Pinelli, D. and Prarolo G. (2008, 2) questioned whether a culturally diversified society is more or less efficient than a culturally homogenous one from an economic point of view and found out that the answer is not obvious and equal. In positive case cultural diversity potentially increase the variety of goods, services and skills available for consumption, production and innovation. Therefore in negative case, additionally referring to Abadie and Gardeazabal (2003), cultural diversity for example may cause racism and prejudices resulting in open clashes and riots.

The link between cultural diversity and economic performance has attracted considerable attention over the last decade writes Bellini et al. (2008, 3), bringing the fact that a number of them have confirmed following: richer diversity is associated with slower economic growth.

Besides amount of other researches there is seen potential positive effect of diversity for urban cities e.g.:

”assen (1994) studies ‘global cities’ - such as London, Paris, New York and Tokyo – and their strategic role in the development of activities that are central to world economic growth and innovation, such as financial and other specialised services.” Or
 ”More recently, Florida (2002) argues that diversity contributes to attract knowledge workers, thereby increasing the creative capital of cities and the long-term prospect of knowledge-based growth (Gertler, Florida, Gates and Vinodrai 2002)”.

(Bellini et al. 2008, 4-5).

Following Roback (1982), Ottaviano, Peri (2006a) and Bellini et al. (2008, 5-6) mention that on average, US-born citizens are more productive in a culturally diversified environment implying a causal relationship from diversity to productivity. Authors also point out that the positive effects are stronger only when sort of new generation immigrants are involved.

We can only think of comparing Finland to other EU member states as for example neighbouring countries and suggest that diversity is positively correlated with productivity relying on research conducted to 12 countries of the EU15 (Austria, Belgium, Denmark, France, former Western Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. Finland did not participate in the research because of availability of Census data (Bellini et al. 2008, 34).

2.6 Highly skilled migrants as a tool for rising competitiveness

The projected in 20 years future shortages in labour force challenge countries and rise competition for skilled migrants. The United Nation in report Nation population (2006, 6) write that governments of 30 countries took measures to controll inflow of immigration to promote a specially inflow of skilled workers. The president of European Commission Mr Barroso in 2007 signaled “highly skilled migrants are welcome in the EU”. Policy makers are concerned with attracting talents to enhance economic competitiveness recognising the increased significance of student mobility which represents potential source of highly skilled migrants (Ministry of Finance, 2013).

Importantly developed countries with high aging and declining fertility rates are interested in skilled human capital. Ducan and Waldorf (2010,16) emphasise the importance of understanding the long-term effect of regulation of flow of global talent because the attracting or retaining high skilled migrants slow recovery during recession.

2.7 Influence on changing

In globalization context and its influence on changing structure of economies and other drivers, international migration has become significant feature of creating sustainable growth in each country. A major number of political and economic bodies, migrants and their representatives, employers and recruiting companies constantly influencing shape and therefore develop the migration processes. This is evident from the Finnish government strategy of managed migration and the European Commission's emphasis on attracting highly skilled workers to boost EU competitiveness (Ministry of Finance 2013). Therefore it become logic to view international migration as an inevitable part of economic and political structure.

Concluding the chapter we emphasize that international migration has created winners and losers. Many employers are seen as a key beneficiary using foreign workers to fulfill labour shortages, or hard-to-fill positions which are left refused by native population based on such reasons as unattractive status, lower payment or non-correspondence to education, or using qualified workforce for further development or to increase competitiveness.

3 Position of foreign employees in the Finnish labour market

In this chapter we focus on the position of foreigners in the Finnish labour market. Historical shifts will be mentioned following with demographical changes and after will be introduced statistics about immigrant population and unemployment rates comparing to original population. These will be presented by discussing influential factors on employment. Distribution of immigrant workers among different economic sectors and some future forecasts on immigration and unemployment will also be mentioned. At the end of this chapter we will write about Integration programme of immigrants to show what is the procedure new-comer has to go through when facing Finnish environment and what are the moves and legislation the programme is based on.

3.1 Historical shifts

Finland has been considered as emigration country mainly starting from the 17's when it was under Swedish rule and hundreds of representatives from both countries established their colonies on the land.

Between 1890 and World War II, the majority of Finns emigrated to America, Australia, Sweden, Norway and Russia. At the same time a comprehensive contributions to Finnish economy was made by Swiss cheese makers, Bavarian brewers, Norwegian sawmill proprietors, British textile industrialists, Italian ice cream makers, Jewish merchants, and Tatar fur and carpet traders who became the first voluntary immigrants to come to Finland in modern times (Tanner 2011).

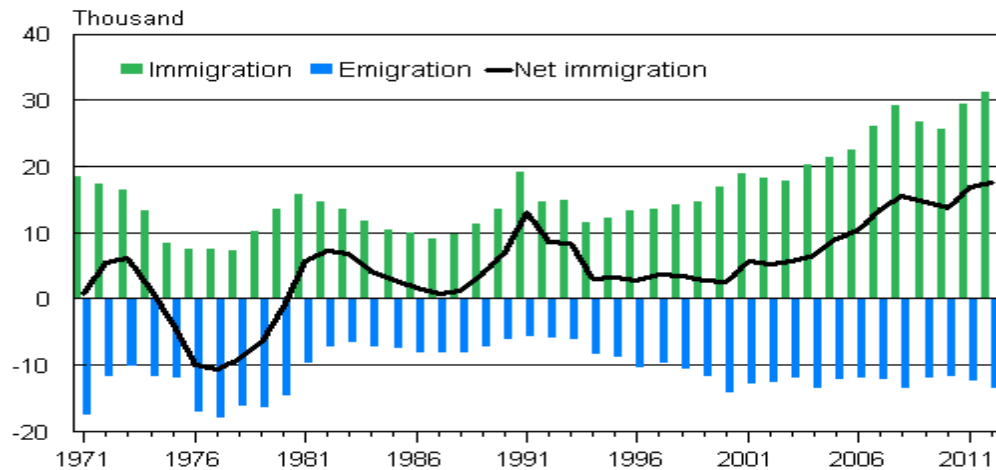
After World War II shifting movement in fast industry growth was a crucial period for Finnish economy and society. It was followed by cultural and economical issues, as well as changes in migration where balance shifted from negative to positive. (Figure 2).

The establishment of the Common Nordic Labour Market in 1954 allowed to move freely between Nordic countries and had its contribution to flow of migrants. Even

though the flow was rather small it tended more to balance out the situation and attract willing ones to return to their home countries.

Figure 2: Immigration and emigration in 1971-2012

(Statistics Finland 2013.)



In April 1990, the ex-president of Finland, Mauno Koivisto declared all ethnic Finns living within the former Soviet Union are eligible for an automatic residence permit in case they chose to return to Finland. Yet there is no official number of returners but estimates indicate that between 20,000 and 40,000 Ingrians have benefited from Finland's Right of Return law over the past 20 years (Tanner 2011).

Finland joined the European Union in 1995 and the Eurozone in 1999 providing country with large range of different migration opportunities. Finnish citizens got the right to move for work, study, family purposes and live freely within the European Economic Area (EEA). These include more efficient labour markets, increased cultural exchanges, better-trained workers, and the opportunity for citizens to broaden their horizons. (Benton & Petrovic 2013, 2).

Today, according to Central Intelligence Agency, Finland is considered as modern welfare state with high standard of education, equality promotion, and national social security system, which is currently challenged with population aging and the fluctuations of an export-driven economy.

3.2 Demographical change

Population aging has emerged as one of the most important challenges of the 21st century for Europe and especially for Finland. By year 2025 around 20% of Europeans will be 65-years old or over, with a particularly rapid increase in numbers of over-80 year olds (European Commission 2013). Therefore countries face the problems caused by the shift and are concerned in terms of countries' society and economic development. Effects are likely to occur in many areas such as conditions for economic growth, age-related expenditure weakness of general government financial position, increasing demand for social and health services and competition for a diminishing labour force (Ministry of Finance 2013, 18, 23-24).

The most notable change in age structure will occur within upcoming decade when the baby boom generation, those born after the war, will retire. According to projections the amount of people finishing their working lives will be around one million having an increase of 55-65 years old in working age group (Heikkilä 2012, 1). And still the amount of newly enters into working life will not be enough to replace the retiring ones. Future development will also depend on fertility rates plus additional work demand, caused by estimated economic growth, might stay unclaimed (Koivukangas 2002, 8-10).

This forecast of labour force situation and aging shift indicate, that there will be great demand for new or additional labour force. Therefore discussion about improving of immigration policy in Finland has been present during last decade. Koivukangas (2002, 9) says that competition for skilled labour force is global and Finland has to keep up in there.

3.3 Numbers and figures

Immigration in Finland has been shown both increase and diverse. At present, there are some 170,000 foreign citizens in Finland and estimation announced by Ministry of employment and the Economy (2012) shows that there will be half a million by 2030.

Although EU has eased the procedures for movement of people based on fundamental freedoms and working on decreasing bureaucracy within member states, Finland still has one of the lowest immigration rate (Foreign Nations 3.1 %, Mobile EU Nations 1.1 % and Third-Country Nations 2 % of total population) , comparing for example to neighbour country Sweden (Foreign Nations 6.6 %, Mobile EU Nations 2.9 % and Third-Country Nations 3.7 % of total population) or Austria (Foreign Nations 10.8 %, Mobile EU Nations 4.2 % and Third-Country Nations 6.6 % of total population), which have at least twice higher numbers of rates (Eurostat 2013).

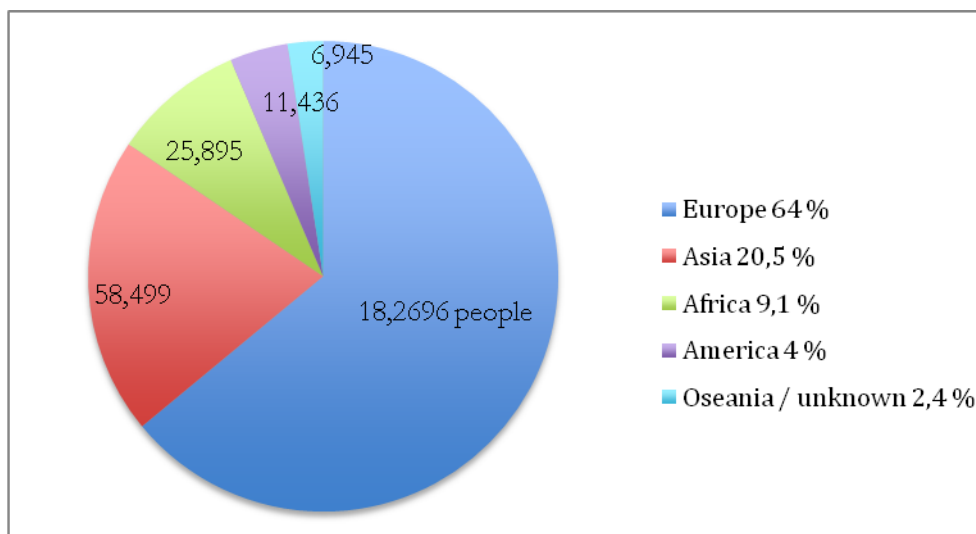
In the last few decades internationalisation of population can be primary noticed in the urban centers in the southern part of the country, which is home to government, leading higher educational facilities and head offices for many companies and organizations. The fact that Finland's immigrant population (of total 5.4 million) has increased recently corroborates almost doubled number of legal immigrants which changed between 2004 and 2012 from 20 333 up to 31 278. (Table 2.)

Table 2: Internal migration in- and out- migration 2000-2012
(Statistics Finland 2013)

Year	Type of migration		
	Immigration	Emigration	Net migration
2004	20 333	13 656	6 677
2005	21 355	12 369	8 986
2006	22 451	12 107	10 344
2007	26 029	12 443	13 586
2008	29 114	13 657	15 457
2009	26 699	12 151	14 548
2010	25 636	11 905	13 731
2011	29 481	12 660	16 821
2012	31 278	13 845	17 433

All in all the multiculturalization happening in Finland can be noticed from fact that today foreigners living in the country are coming from about 150 coming different nationalities. Despite on resent economic downturn and high unemployment rates in EU caused by recent financial crises the number of immigrants in Finland has slightly increased, comparing to previous year, by 2 030 people and was 31 278 (3.6 per cent of the population) in 2012 being highest since Finland gained its independence in 1917.

Figure 3: Foreign-Born people by continent of birth, 2012



(Ministry of the Interior, 2012).

From those who are born abroad 64 per cent were born in Europe. (Figure 3.) Altogether about 5.3 per cent of the total population in Finland have different country of birth, (Table 3.) where Russians are the largest group. (Ministry of the Interior, 2012).

Table 3. Largest groups by country of birth (Statistics Finland, 2012).

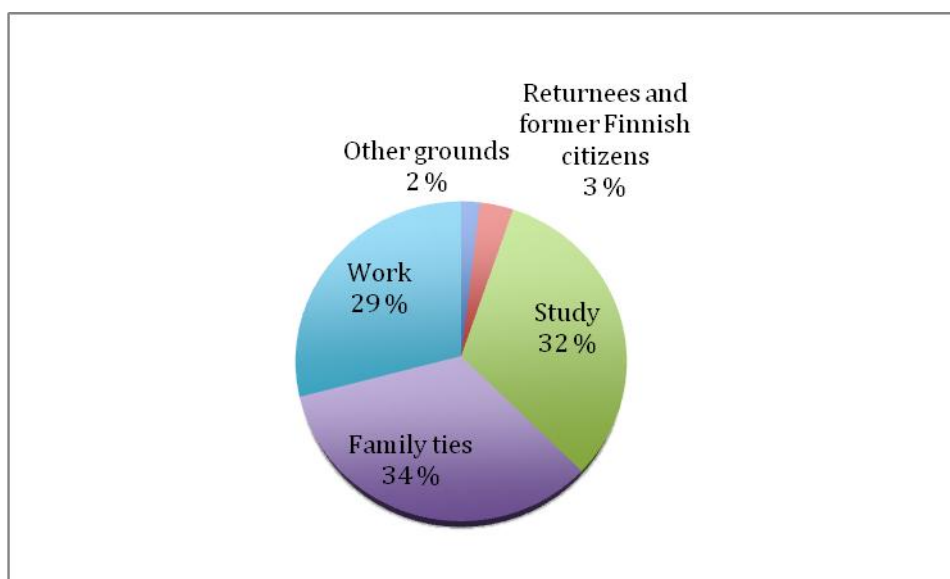
Country of birth	People
Finland	5,141,203
Total of foreign-born people	285,471
Largest groups	
Former Soviet Union and Russia	52,339 + 10,020
Estonia	34,984
Sweden	31,601
Somalia	9,079
Iraq	8,404
China	8,278
Thailand	8,050
Others	122,722

The reasons for immigration have become more diverse where in addition to biggest proportion of family reunion there are studies, work, remigration, humanitarian reasons and engaging in commercial activity. In 2012, 17,157 individuals were granted a residence permit, which is 76 per cent of all applications and is 11 per cent less comparing to previous 2011 year. The nationality groups with the highest number of positive decisions to residence permit applications were Russian (4,731) also remaining the largest foreign group, followed by Chinese (1,566), Indian (1,179), Ukrainian (1,019), and USA citizens (946) (Finnish Immigration Service 2013).

The following Figure 4 shows a breakdown of resident permits given by Finnish Immigration Service to immigrants from outside the EU, the EEA and Switzerland. The chart do not include residence permits issued by the police and do not involve asylum seekers.

Figure 4. Granted resident permits 2012

(Finnish Immigration Service 2013).



Family ties hold the biggest proportion 34 per cent of foreigners getting resident permits every year. Following by studying which rose by 4 per cent and used to be 32 per cent, for the first time exceeding work based permits, which at the same time fell by 10 per cent from the last 2011 year.

3.4 Foreign students to work

Student migration has been stably high during last decades and grows year after year. Finland has been always attractive for students for its education system because it is available for everyone and has good reputation. The educational motion are on the increase of mobility, with offered opportunities for studying or submitting internships abroad provided by such organisations as the Erasmus, Socrates or AIESEC.

However, according to Ministry of Interior there is still place for improvement of links between studies and working life to ensure the employment after graduation. Despite of image of Finland as a safe and socially stable country, foreign students still find it difficult to integrate into the Finnish society and working life.

Referring to Strategy for the Internationalization of Higher Education Institutions in Finland 2009–2015 submitted by Ministry of Education and Culture of Finland, among others OECD countries "Finland is suffering from a brain drain" and that "low level

of internationalization is still one of the key weaknesses of the Finnish higher education and research system when compared with Finland's competitors". The aim of the strategy is to increase the number of foreign students up to 85 per cent, which would make 20 000 more international students in Finnish higher education institutions. The strategy also focuses on increasing quantity of foreign teachers in the institutions and closer cooperation between higher education institutions, several ministries, financing and support organisations, the business community and regional actors (Ministry of Education, 2009). Because the opportunity to stay and get employed will get higher there is expectation that interest for Finland among potential and present student will increase.

Today, if an international student, who is a non-EU resident wish to work in Finland, there are some restrictions to the amount of work that can be performed while studying. For a student who has lessons during the semesters, there is a limitation to work not more than 25h per week; however there are no limitations on working hours during holidays.

At the times student's resident permit is valid and degree at Finnish institution is about to be completed, international students are allowed to apply for a temporary resident permit for seeking job, that is granted by the police for six months. Once job is found within the granted period new application based on work can be submitted. The secured livelihood is required in each case (The Finnish Immigration Service, 2013).

3.5 Foreign labour force

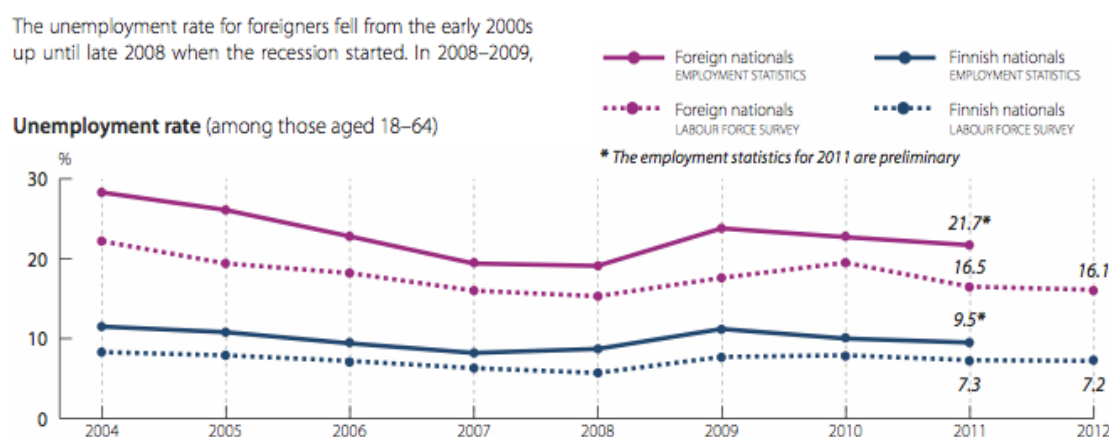
Finland has never been considered as a country of labour migration. Yet in 1990's it had mainly homogeneous labour force and only 2.5 per cent of the employed workers were foreigners in 2006.

Lately there has been seen a constant development in simplifying the process of getting resident permits based on work. Therefore some professions do not need a residence permit for an employed person, but will be granted separately depending on applicant's

case. Another example is that seasonal or maximum three months agricultural work do not require residence permits at all (Finnish Immigration Service 2013).

Foreigners have vulnerable position in labour market and especially during weak economic performance lose their jobs more easily than natives. That could be seen after economic depression in Finland in 1990's. Back then employment rates were extremely high for both the Finnish and foreign labour force. Even though rates started to decrease the difference in percentage was almost 3 times higher for immigrants being 53 per cent. Until 2008 there decreasing unemployment rate reached its lowest point of 19 per cent and it was 2.5 times higher than the total population one. Currently as a consequence of recent economic crises together with constant rise in immigration have increased and keep unemployment rate high again. (Figure 5.)

Figure 5. Unemployment rate (among those aged between 18 to 64).
(Ministry of the Interior, 2012)



The unemployment rate for the population aged between 18 to 64 was on average, 7.2 per cent in 2012, which is 0.1 per cent higher than in 2011. It has to do with demographic changes where the size of population, from which the official employment rate is calculated, diminished for the second year in a row. The age group decreased in all by 30,000 persons in 2011 and 2012. In contrast, the number of working-age people (aged 15 to 74) continued to grow, because the number of those aged 65 to 74 went up by 30,000 in 2012 (Statistics Finland 2012).

There are significant differences in unemployment situation for immigrants according to nationalities. The highest rates of unemployment in 2010 were among Somali, Arabic, Persian, Kurdish, and Thai with the rates around and even over 50 per cent. While as EU citizens such as Swedish and Estonians have the unemployment rates under or around 10 per cent (Tilastokeskus, 2012).

According to an article in Helsingin Sanomat (2005) one of main reasons for high unemployment rates among immigrants is the fact that Finnish employers consider Finnish education and work experience as better than foreign equivalents, wherefore in order to get employed immigrants were forced to change their professions. For example Russians having higher average level of education among other immigrant groups are not able to benefit from their education in Finland and so have high unemployment rate around 40 per cent and those who did change profession can be seen in teacher's positions having legal education completed in Russia.

Second main reason for high unemployment is lack of knowledge of Finnish language and culture. That explains for example higher employment of Estonians, whose language is close to Finnish and culture awareness is higher because of neighbour location of countries, which make it easier for Estonians to integrate into Finnish society and work environment. To draw the point, knowledge of common language is essential for clear communication and consequently for work. That is why lack of Finnish language is used by employers to refuse in employment of foreigners. In turn, when language is improved, the opportunities to get a job rise.

Highest unemployment rates among those, coming from Middle East put us to deal with such unfortunate issue as existence of xenophobia among native population. Referring to the Director of Immigration Affairs for the City of Helsinki "discrimination is clearly the big reason why Somalis have not been able to enter the job market" and even those, who have been living here from 15 to 20 years and graduated from Finnish institution have difficulties in finding job and even more some student find it almost impossible without additional tutor support (Yle, 2010).

Koivukangas (2002, 9) corroborates that among those, less experienced in recruiting foreigners, employers there are a lot of prejudices towards immigrants. Even though race and ethnicity should not exist in labour market in modern democratic economy, a foreigner, however must indicate own competence for the job. In Finland the prerequisites in addition to mentioned above knowledge of the language and educational skills there are social ability and wish to integrate and master networks and culture of the host society.

The mentioned above issues explain why Finnish government currently undergoes active change in improving immigration policies. Among other steps, which will be presented in sub chapter "Integration programme", to rise unemployment, political decision-makers contributed to integration of immigrants into labour market via boosting entrepreneurs among minorities (Ministry of Interior, 2012. 7). As a result many immigrants started their own businesses, such as ethnic shops, restaurants or those related to IT services.

3.6 Professions amongst Foreigners

Distribution of those employed immigrants in Finnish labour market differs from native population. From the stock data for the year of 2004 the most common occupation among employed foreigners both sex was cleaning, sales work, teaching & education and restaurant service, supervision & research, technical planning & ground transportation. Looking deeper Heikkilä (2012, 12-14) finds out that those born in western countries such as Sweden, GB, the US and Poland were employed within teaching and educational field. Immigrants born in such countries as Iran, Vietnam, China, India and former Yugoslavia were mainly occupied in restaurant services. Cleaning was the most common sector for those born in Somalia and in Thailand. Many Indians were employed in technical planning, supervision, research and the third ranking group in technical experts and work supervision. The technical sector was also filled with Chinese, British, Polish, German and American occupational distribution.

The same author Heikkilä, at her study Labour Market Participation of Immigrants in Finland and its Regions (2012, 13-14), emphasizes on differences in occupation profession of immigrants between regions and gives us following examples:

- In South Ostrobothnia, North Karelia and Lapland there are about a fifth of the immigrants working in education; in Ostrobothnia dominate agriculture and gardening.
- Restaurant services exist in every county among top professions and in Uusimaa every tenth has got the job in the field.
- Education as one of the most general professions present in nineteen counties.
- Field of sales work takes place in seventeen counties among most important professions.

Cleaning work has generally been known as a major profession among immigrants and it is indeed in addition to hospitality field in Uusimaa region. Of other ones, for example in Varsinais-Suomi the shipbuilding industry stimulate metal manufacturing and so it is seen among others. In Päijät-Häme and Etelä-Savo, wood manufacturing is the second most general profession among immigrants. In Kymenlaakso, there are quite many immigrants employed as doctors and researchers in medicine. In latter case of Kymenlaakso the raised reason for recruitment of immigrant professionals to open vacancies was the lack of native medical doctors (Heikkilä 2012, 16).

According to recent "Talent Shortage" research, accomplished by recruitment company ManpowerGroup at the beginning of year 2013, there were difficulties in Finnish labour market for filling following top ten fields: 1-10 Skilled Trades, Drivers, Sales Representatives, Accounting & Finance Staff, Mechanics, Chefs, IT Staff, Sales Managers, Engineers, Doctors and other Non-Nursing Health Professionals. And so future will show what will be the respond of the government and employers to fill the shortages.

3.7 Future forecast

Holding the opinion that economic success in Finland has been dependent on high employment, competitive production, high skills levels, equitable welfare services and social justice as well as a universal and inclusive welfare system the Government emphasise on importance of economic growth and creation of new jobs to face the challenges in public finances is logic. Therefore to prevent labour shortages the Finnish Government aims to:

- ensure a managed labour market
- provide equal rights for all employees in today's international labour market by endeavouring
- increase the employment rate as well of immigrants
- prolong working careers and improve the impact, effectiveness and productivity of public services
- strength the economy's growth potential by means of taxation and the allocation of central government expenditure

(Ministry of Finance 2013, 13-18).

Heikkilä (2012, 16) presents the result of conducted interviews in her research project concerning increase of immigration and states according to interviewed experts that in upcoming years immigrants expected from the Baltic countries, Russia, Poland, Belarus, Ukraine, Bulgaria, Romania, probably Estonia. After came Asia and third are China and India expectedly providing mainly educated labour force. The immigration from western countries, Britain, Sweden and Germany in opinion of professionals and experts will remain low.

3.8 Integration and relating legislation

International migration is one of the most challenging issues around European Union including Finland and, as we discussed in first chapter, has been seen inevitable. It has been predicted by UN in 2000 that in order to maintain working-age population annual amount of receiving immigrants should be 1.5 million. That is a second reason in addi-

tion to increase of immigration in the county and so explain us why the economic structures are going through a dynamic change in migration policies where integration is considered as an essential part.

There are many definitions of integration but the key questions concerned are the attitudes and the potential discrimination of the employers in recruiting of immigrants and creating a new social cohesion. It is, for example, described as a process of interaction between immigrants and society where are provided needed knowledge and skills, which help in adapting to new environment and culture, preparing immigrants among other social life, for work, supporting the maintaining of own language and culture as a part of their identity (Aalto, EloTvainio, Heponiemi, Hietapakka, Kuusio & Lämsä 2013, 25).

3.8.1 Integration programme 2012 - 2015

In Finland immigration cause the need for creation and developing public services. Consequently today, Finnish Government is adopting the first ever Government Integration Programme for 2012–2015 with precise support of integration routes for integrating immigrants with precondition that they view themselves as permanent, equal and welcome components of Finnish society.

The overall objective of the Integration Programme is to support participation of immigrants by interaction between different population groups and good ethnic relations. Particular measures among others are targeted at promoting the employment of immigrants and support for immigrant children, providing them development of language training, basic education and development of integration in basic services. Housing, physical exercise and cultural policy measures are also required, to make everyone free welcome and more comfortable.

The Government Resolution includes integration objectives and measures on the following themes:

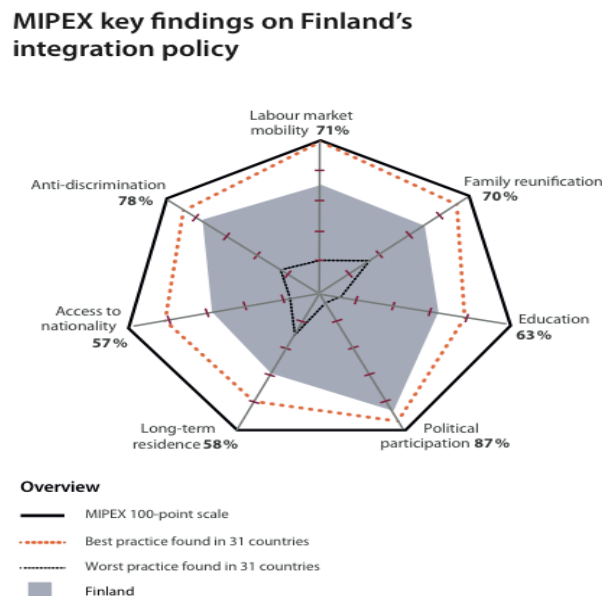
- 1) Focus areas of communal integration
- 2) Supporting the integration of families through basic services

- 3) Immigrants in the labour market
- 4) Foreign students as a resource
- 5) Placement in a municipality for all people under international protection
- 6) Funding for the Government Integration Programme's implementation

The target of reducing unemployment among foreigners is to by half by 2015. For promoting of integration of immigrants the parties commit to develop services. The aim is to bring immigrants more rapidly within the sphere of integration training, work trials, or other labour-market services. Immigrants are also assisted in finding work and encouraged to become entrepreneurs. (Ministry of Employment and the Economy 2012). And the latter one works as we have learned at the beginning of this chapter.

According to international study, which compared immigrant integration policies, Finland is ranked fourth in the list between 31 countries. According to MIPEX (Migration Integration Policy Index) indicators 2011 (Figure 6.), Finland's areas of strength for further promoting integration are access to education, political participation and labour mobility.

Figure 6. MIPEX (Ministry of Interior 2011, 14).



Such wide process as integration of immigrants to new society can be realised efficiently with external contribution of authorities and other parties, exactly in a way

CME predispose. Consequently there are certain regulations which should be followed to provide the person with all entitled support in the process. Next some regulations for the integration of immigrants will be presented.

3.8.2 Integration Act

The Integration Programme is based on the Integration Act called "Act on the Integration of Immigrants and Reception of Asylum Seekers 493/1999" dated 1 of May 1999 and reformed in autumn 2009. In order to ensure successful integration through the programme the Government summons different divisions of government and institutions for cooperation. Therefore measures and services are organised as part of basic municipal services, employment and economic administration services.

The aim of the Integration Act is to promote the participation of the immigrant in the Finnish society by providing one with support in attainment of the fundamental skills and required knowledge which help to expand participating in economic, social and working life in Finnish society. The Act includes methods of promoting integration and emphasizes the principles of equality and freedom of choice and still maintaining their own cultures. There is a fact that integration of immigrants does not occur in isolation of host population, the integrative measures and resources provided by public authorities and so they are called for a need. The process is challenging and might take several years, depending on immigrant's independent participation and surroundings. At any rate conditions of successful integration are competent knowledge of Finnish or Swedish languages following by appreciation of Finnish lifestyles, rules, social structures and legal system in everyday needs (Ministry of Labour 2002, 4-6).

3.8.3 Non-Discrimination Act

Second influencing Act is Non-Discrimination Act (21/2004). The purpose of Non-Discrimination Act aim to provide legal protection for those who have been affected against in cases of discrimination that fall under conditions stated in the Act. The Act defines both direct and indirect discrimination due to such reasons as ethnic origin, gender, age, political or religion views.

3.8.4 Aliens Act

The most recent Act to be mentioned is Aliens Act (301/2004)³ which came into force 1 of May 2004. The purpose of which is to regulate managed immigration via implementing and promoting good administrative practice and legal protection in alien affairs. In addition, the purpose of the Act is to promote provision of international protection with respect for human rights and basic rights and in consideration of international agreements binding on Finland. The main tool in regulation is for example is short-time visa.

3.8.5 Other performers

Besides the Integration, Non-Discrimination and Aliens Acts there is wide range of bodies, institutions and NGO's involved in implementing of Integration programme. These actors provide proximate assistance and humanitarian help to immigrants. To mention a few the Ministry of Interior, Ministry of Employment and the Economy, Centres for Economic Development, Transport and the Environment (ELY Centres), The Social Insurance Institution (KELA), Municipalities, the TE Offices, The Ministry of Education and Culture's and all these interact with each other.

3.9 Finland in state of change

Finland is undergoing challenging time of demographical changes. Yet unemployment rates are high which means labour market is tight, but at the same time some fields such as Health Care suffers from severe labour shortages.

Nevertheless, as wrote Kouivukangas (2002, 3), the challenge Finland faces is transition in culture from homogeneous for heterogeneous one. The increase of immigrants has caused a number of challenges such as high unemployment rates of immigrants or existence of xenophobia among natives towards foreigners. That all put ~~a~~ an enormous pressure on policy-makers in reaching the goal of sustainable economy growth. Migration is for sure costly, time consuming and difficult process to handle.

³ Definition of alien for the purposes of Aliens Act (301/2004): alien means a person who is not a Finnish citizen

That also requires considerable personal drive and financial resources. But as emphasises Lauri Ihalainen, Minister of Labour: "Finland still has excellent preconditions for preventing segregation between different population groups and the resulting conflicts".

Welcomed integration programme for immigrants just experienced its first success, therefore it is shaping and developing future policies. There is place for Finns to increase their inter-cultural knowledge, collaborating with foreigners and understanding of each others' cultures in addition to foreigner's personal drive. Therefore better results can be achieved in shorter time.

4 Case study - recruitment in practice

In this chapter, we first summarize reasons for organizations and companies, which have to recruit internationally. After will be presented international recruitment process in practice via Case study "nurses from Spain". There will be seen how such issues as globalization and demographical changes' influence the economics, therefore businesses and their HR practices, where interaction between economy forced government bodies and local organizations take place in order to reach efficient results.

4.1 Reasons for foreign labour force

As we have discussed in previous chapters about globalization, in terms of business, it has caused many trends, which affect different fields of management within organisation operations, as well as human resource management. The improvement of HR strategies focus, for example, on bringing diversity, professional development of employees by cross-cultural trainings and other international practises.

There are economical and social reasons for companies to recruit in international level. It might be based on different reasons for example: to meet labour shortage caused among others by demographical changes or some of companies' own reasons such as holding the international strategy, expending internationally, get required skills, to reduce cost or rise competency. Consequently international migration and foreign employees become a valuable source for human resource management and overall inevitably feature of economy.

Successful recruitment is a significant issue in international human resource management and today employers have to make a big effort to recruit from abroad. The Case study below follow up strategy where recruited nurses from Spain move to Finland to fill the shortages of labour in Health Care field. The carried out project with its success and obstacles will be presented.

4.2 International recruitment in practice: case study "nurses from Spain"

The case study is based on material (Attachment 1.) provided by Ms Leppänen one of our interviewees for upcoming research in Chapter 4.

Ms Leppänen works as head of recruitment department at "Taitoa" concern's office in Kotka. Taitoa provides local government and municipalities with public sector amongst others human resource management services as an expert in the field.

The goal of case study

In 2011 HR team of "Taitoa" and 20 deputies was challenged with organizing recruitment of substitute-nurses for care for elderly people and health care centres in town of Kotka where demand for labour force in the field is very high.

One solution to fulfil the shortages of labour force was to recruit from abroad and so at the end of 2011 started a joint project with Kymenlaakso, to recruit 17 nurses from Spain.

Background of the project

Finnish social and health care has been in recent years in fast-paced transition and transformation. The changes have been happening in the area of organization structures and methods for producing and service integration.

Almost half of the current workers will be retired by 2025. The amount of newcomers is smaller than retiring ones, the productivity growth has been negative, and the proportion of new graduates has not compensated for the losses. At the same time, it seems that in the service area, of care taking care of the elderly attractiveness of employment has diminished. (Aalto, Elovainio, Heponiemi, Hietapakka, Kuusio & Lämsä 2013, 18 - 20).

Locally, in Kymenlaakso, the outstanding issues relate to high unemployment rate together with shortage of highly skilled labour force. In 2008, the Regional Director of the city of Kotka organized health initiative of Working Group Labour Supply (paramedical staff) from abroad – Kymenlaakso's Common Vision.

Long discussions lead to decision of recruiting nurses from abroad. The group aimed at cost-efficient process, which would primarily take into account professionalism of candidates, ethics, and legislation issues.

Initially, the working team investigated China and the Philippines as potential suppliers of workforce. Philippines were considered attractive by all standards. However, due to facilitative and inspiring EU legislation a new decision was made to re-direct efforts to an EU country, Spain.

Attention to Spanish nurses

Importantly, the ethical basis for recruitment from Spain was the high youth unemployment rate and the intra-EU's free movement of labour.

In January 2012, there was a group from Kotka in Spain creating a co-operation network. The interest of local media in Finnish project attracted more than 2000 applicants and in a quite tight schedule project named "Medico" started.

Why Spain?

With ethical motives came obviously also professional reasons. Finnish experts admit that Spanish nursing education and health care is of high quality and content-wise is similar to Finnish education and the quality level. Some differences has been found in comparison of curricula, which is why nurses recruited from Spain was planned to buy a joint familiarization training by employers and the Employment Office for six months. For the education service provider was chosen Kymenlaaksos University of Applied Sciences. Employers and the University of Applied Sciences co-operated to

make the learning at school and at the workplace would complement each other as far as possible.

The highest threshold for international recruitments has been identified multilingual skills of recruited (TEHY 2012.) It has been noted that the employer is in charge of providing for the educated staff with required at work language skills. The project was launched in the country of departure with language trainings so that in May 2012, two representatives from MEDICO interviewed a group of 24 students and selected on the basis of CVs. In a contest South-Kymenlaaksos College EKAMI was chosen as language training implementing provider. Language training began at the end of May and ended in October.

Following are listed the stages of project:

Determination of task and the selection criteria: in determination of task and the selection criteria were seen as the most important and fundamental stage of the recruitment process. It was carefully planned and considered quite of nuances.

Job advertisement and selection of channels implied importance and using of local social media and networks.

Responding to inquiries happened via Medicos website and intranet. Social media was not used during this project but after the Facebook profile, with realistic information about the region, was created for potential future newcomers.

Processing of applications was carried out co-operating with Satakunta ELY-center and it was a challenging stage because of inconsistency between amount of application, scrutinisers and time set for the process. For future projects use of IT solutions are considered.

Interviews

- The interview stage was a very instructive one. Starting from the point that during the planning unanswered question concerning scheduling of interviews caused lot of frustration at its place.
- The space assigned for interviews in Bilbao did not meet expectations according order of facilities, lightening or lack of water.
- Group of managers conducted each interview at the time and the co-operation between interviewers worked out properly. The process was still challenging for interviewees and they were very nervous because, as was founded later one, the selection of candidates is made based on CV's in Spain.
- A joint session carried out before interviews would have helped to reduce stress of participants, plus some material about work and future tasks provided beforehand would be useful for studying and preparation.

Suitability assessment

In recruitment process it is vital to note the so-called discrimination requirement.

The condition includes the following:

- The person that is recruited has to be authorized to act as a nurse in Spain
- Recruited person has demonstrated progress in learning of Finnish language during the language course
- Recruited person has a proper work experience in nursing
- Recruited persons integration process is easier if the person has a relevant hobby and experience of independent life.

Other practices to increase the reliability

Employers had to express interest in open-ended contracts. The key objective was that the recruitment and induction led to full integration and settlement in Finland, so that

recruited would want to stay in Finland permanently. In other words, the project planners did not want to give the nurses any possibility to even consider an option to return home by the end of the contract.

Selection and move

The requirement for ethically correct functioning was met in almost every stage: selection criteria for determination in applications' processing.

The selection took place on the recruitment trip in Bilbao. The results were informed by e-mail, to avoid extra travel costs.

On the way to Finland the presence of language teacher or other representative would insure safe trip. All selected flew to Finland on December 4th. They began their studies at University of Applied Sciences on 10 December 2012 and started working the week before Christmas.

Cultural differences

According to Pitkänen (2007, 48) the friction factors of cultural differences in multicultural workplaces appear to culminate in language and communication difficulties. In addition it is expected from foreign personal to have their vocational training and work experience be acquired in Finland. Studies have shown that for foreign employees to succeed in work is essential to have specific education in Finland and knowledge of Finnish working life. Having been used to own ethnic and cultural diversity the process can be demanding and time-consuming, as a culture changing requires a new learning and "unlearning or forgetting" of past habits and attitudes. How quickly and very qualified nursing staff takes his place in the Finnish professional practice, seems to depend on linguistic and professional skills and personal qualities such as the ability to accept diversity of work community, as well as its environment (HUS 2012, 35 - 36).

TEHYs study of trained nursing staff with immigrant background in social and health care work communities (2012, 43) has shown that multi-cultural work environment

skills should be more developed. The project in cooperation with Rekry Amare paid attention on education of mentors and working place actors. Mentor's training was completed with readymade template, which has been criticized because of its scientificity. It was concentrated on training of mentors and trainees in real everyday sensing. Four-hour-long trainings were carried out in three groups, between representatives from each employer. The content of training included following issues:

- MOKS3–trainer Hanna Posti-Ahokas: "We have always done this way" - attitudes and prejudices in intercultural interaction. Development of own and workplace diversity knowledge.
- Master of Health Sciences, PhD student Jutta Hartikainen, East University of Finland: "One more, again, understands nothing?" - Immigrant workers in at the health-care orientation session.
- Responsible for immigrant education department, Riitta Mielonen, EKAMI: "Clear Finnish – what does it really mean?" What is the whole knowledge immigrant has to learn to cope in communication, both at work and leisure time? How fins are better to talk Finnish that work with immigrants would be easier?

Kymenlaakso case Spain - Project representatives participated in the workplace training according to own possibilities. More structured participation, so that in all groups would have been a person to answer questions related to the project, would have been important.

The lack of language skills of newcomers proved to be overusing their resources: the need for constant motivation and its stimulation to develop language skills is needed all the time. Wellbeing of mentors and other colleagues must be constantly monitored.

Integration

High attention was putted to the integration of newcomers. Because of small budget, staff made it possible using own forces such as cleaning up, baking and other cuisine issues.

The first days after arriving to Finland were planned carefully. Bureaucracy-round was handled efficiently and newcomers' leisure activities were organized thanks to great networking (co-workers, educational organizations and others).

Case Spain – the most important learning

- There were in total 17 nurses recruited from Spain to Kymenlaakso region.
- All the employers are satisfied with the recruited staff and none of them was laid-off within trial period.
- All the newcomers are proud of their profession and none of them has returned back to home.
- Development of Finnish language is interactive and it is important to use proper and clear language when communicating with newcomers, as well as to provide them a feedback.

Recommendations for the government

The experimental project of Kymmenlakso may, in the future, turn continuous state policy. Undoubtedly, the project provided potential decision makers of important information and recommendations.

Employers of Kymenlaakso wish concrete measures from government side to be made and therefore unite proposals for further recommendation as follows:

1. Language tests and content of language training should be determined and implemented already at the country of departure.
2. An opportunity for educational participation in Universities of Applied Sciences should be provided to economic migrants.
3. Objectives of job practice and financial support conditions should be clear.

4. Integration programme, especially Finnish and Swedish language trainings, should be provided from public funds.

5. Diversity and intercultural management should become integral part of staff training in Finland.

At Kymenlaakso experienced cooperation between trade unions of nurses and practical nurses, was in favour through very constructive discussion, but the co-operation has to be tighter. Work has to have common goals and objectives.

4.3 Outcomes

From presented case study above we could see how such global shifts as one in demographical changes influence labour market stability. It was pointed out that region of Kymenlaakso has been suffering from labour shortages in addition to demand for high skilled work force in the field of Health Care. There is also seen extinction of attractiveness among native population for the field. Therefore that causes the need for employers to look beyond Finnish borders for additional workforce to fulfil labour shortages.

The sense of coordinated market economies introduced in first chapter can be seen in companies' development in relationships with other firms and organisations nationally and internationally to secure cooperative outcomes among the actors using a range of institutional devices that underpin credible commitments. (Hall & Soskice 2001, 14)

Kymenlaakso region has been undergone changes in the area of organization structures and methods for producing and service integration. The economic and social shifts influence day after day many areas such as recruitment processes, the formalisation of educational qualifications, industrial relations, health and safety, working environment, even nature of employment contract and so on.

The influence of EU legislation in re-direction of efforts in choosing country of labour force supplier from one in Asia to EU member Spain was crucial. Active interaction

between those involved in the project was taken place during the project. Co-operation with educational institutions, ELY offices and government organisations made it possible to carry out this project and fill hands of some local organisations with work.

Through the project, networking was seen as one of the main benefits used, because Kymerekry could always contact specialists in needed field to solve problematic situations or receive an advice. As Ms Leppänen pointed out “For companies who is just about to start such complex process it is important to build up good network, as the support and knowledge is needed when doing recruitment in new environment.”

During the recruitment and selection process some development happened in recruitment and assessment processes via e.g. co-operation with foreign organisations and using social media as a marketing tool. High attention was putted to Finnish language skills of foreign employees and it has been seen as essential part of integration to new society.

Finally the message to the government might have its influence on constantly shaping integration process of immigrants. Consequently it might increase educational industry where more language and cultural courses take place not only for newcomers but also for native population to develop their skills in multi-cultural field and therefore ease efficiency in work and communication.

5 Research settings

This chapter includes the reasons and description of chosen research approach for this Bachelor Thesis, the intended research questions, as well as presentation and critical evaluation of the interview and an explanation how the data is analyzed. Further validity and reliability of research study are depicted. In the end we will go through our project schedule mentioning the limitations.

Our research project started from careful design, taking into account the most appropriate, realistic and interesting topic for us. Once our theoretical part was clear we could see that the research will be supplement for the valuable theoretical part because of limitations in tight schedule and amount of people interviewed.

The potential number of participants and the field they are working in directed our way in choosing methods for our research to qualitative one. By our findings we aim to reveal opinion of immediately involved or having experience in the field professionals about foreign workers and their impact on businesses.

We wanted to understand the bases of answers as well as reasons why things or attitude changed or possible perspectives in a broader way. Therefore we choose the qualitative in-depth interviewing with semi-structured questions caring one core idea. (Rubin and Rubin 2005, 2-40)

5.1 Methods

During the May and June of 2013 we gathered theoretical information from books, articles and other relevant literature according immigration in Finland, foreigner workers and their effect on labour market. In June as soon as we could value the theoretical part we defined the most suitable research methods to be used. We contacted all the potential interviewees, who are professionals with long and diverse work experiences. Each of them is involved in either recruiting, employing or working with people coming from foreign countries or different backgrounds. The conducting of interviews was agreed within the July.

In total five persons were interviewed for our research. One of the interviews was made through email as the interviewee's too tight schedule. In face-to-face interviews there were more space and possibilities to both interviewee and researcher. Since depth-in interviews aim at encouraging interviewees to talk about their experiences, opinions or beliefs we planned to make it through following up sub questions in addition to our main one. However the process supposed to combine structure with flexibility in answering. To allow responses to be fully explored the covered topic was explained in most suitable way to the interviewee. (Ritchie & Lewis 2003, 139-144).

The conducted interviews lasted from 30 up to 45 minutes. Such stages as arrival, introducing the research, beginning the interview, during the interview, ending the interview were also planned to ensure the process. Each interview was recorded with a recording device plus notes were made. The recorder was a great help when we started to go through our notes of interviews, to supplement gathered information. The interviews were conducted in Finnish and after analyzing the chosen most relevant and important answers were translated into English.

The interview questions were structured into three parts. First part was about interviewee's background such as education and work experience. The second part their experience in dealing with foreigner employees. The third part of sub questions to explore deeper the benefits, obstacles or negative sides in employing foreigners.

To analyse the covered material from interviews was chosen three-step method where answers were gathered under each question, after classified and separated into similar and dissimilar findings. Even though mainly answered carried common positive sense there were still different opinions for the same questions.

5.2 Questions

The aim of this research is to support our theoretical material and explore the opinion of particular business makers about benefits and challenges in recruitment and working with people who have foreign backgrounds such as immigrants. How attitude of native

Finns have been changed if so and whether Finland benefit from shifts of globalization and free movement of labour within EU.

Our research questions are following:

1. How important is to recruit internationally for Finnish companies, when we look from developing point of view?
2. What are the special issues to pay attention on during international recruitment process?
3. What are the positive and negative sites in creation of international work environment?
4. Whether it is and how beneficial is employment of immigrant workers?
5. Does Finland benefit from the free movement of labour within EU member states?
6. How have Finnish employees attitude towards international work force changed during the years?

5.3 Reliability and Validity

The reliability and validity of this research study was assured by addressing various measures. As we chose a qualitative research the goal was to examine more closely interviewees' different perspectives and the points of view on this topic. The research reveals different kinds of experiences and opinions, and so it is not to find out an absolute truth or patterns, nor to generalize the detections of this research to being outright. (Hirsijärvi & Hurme 2001, 34-35).

All of interviewees are professionals in different fields having their own special relations and experiences in working with or recruiting foreigners. As they all are representatives of different companies, they had their own points of view to questions asked and that is how we got diverse results.

The semi-structured interview questions were pre-tested in a way that they did not produce the same type of answers. In addition to take notes during the interviews they

were also recorded thereby guaranteeing a sound database, from which data can be obtained.

During the interview and the later analysis of the answers we cross checked the data and compared the findings with existing literature. Further, the conducted interviews were compared systematically to detect regularities and irregularities between the answers to identify areas for more precise assessment (Bell 2005, 117-120).

5.4 Process and limitations

Our thesis was a four months project, taking place from the end of spring till beginning of autumn. We started to think about possible and interesting topic for our thesis in April gathering literature, already made studies and discussing it with others. In June we thought a topic is clear but while working further and looking for ways of doing research we realized that knowledge of our potential interviewees would be more suitable for the other one and so we had to re-direct the topic for our current one in order to make research richer.

In a middle of June we had chosen the topic and started precisely work on it. The base of theoretical part was ready in July but still was under development till the end of summer, the interviews were conducted during July and August, as well as actual writing, correcting, analyzing and drawing conclusions. Proofreading and working on finishing the details on this Bachelors Thesis before returning took place in September.

The main issue for us was ours and the interviewees' tight schedule. Some of the interviewees were located in different cities and so it made it even worse to find extra time for travelling. Our wide topic as well as limited amount of pages and time limited us in designing of the content and therefore we had to prioritise what to concentrate on in the study.

5.5 Research results

In this part we have gathered some quotes from all conducted interviews considering them as the most relevant ones to the study in whole.

Following are the questions asked and some answers received from the interviewees:

As we have found there are economic, political, cultural and social globalization forms which are often linked to each other. Analyzing connection between countries and nature of the cooperation the twentieth century witnessed a change in the pace of growth in the connection between countries: trade and foreign direct investment increased sharply; financial markets were deregulated and became highly internationalized; information exchange across borders became dramatically faster and cheaper, and many more. Furthermore according to Edwards & Rees there is another key feature of globalization, which is growth of MNCs, and controlled by them the chains of production and service provisions. All that caused the increase for demand for international such as knowledge of foreign languages, markets and cultures In case of knowledge-driven economy there is increasing demand for highly skilled workers. Therefore our first question was how important it is to recruit internationally for Finnish companies, when we look from developing point of view? It was very pleasant to see that all interviewees agreed on its absolute need.

“Crucial, the possibilities to grow are easily destroyed by staying only in Finland.” –
Master in engineering

“It depends on the field, we have fields where Finns are the top professionals, but there are also fields where we need help from outside, to keep up with the competition.” – Director of sales

“Fundamental, if a company wants to take a part in international competition. It became necessary to have employees from abroad. Thinking from the profitable point of view, Finland needs international employees.” – Chief of international operations

“Absolutely we need it. It creates new market areas form the companies and a possibility for international work force movement. Finland can get professionals from abroad such as engineers from India.” – Project co-ordinator

“I believe it is very important, to keep up with the international competition and to get Finland in the leading countries. Finland was in a better situation 10 years ago situation was better in Finland and now, if we want to be part of the global development, we need help from other countries, preferably also from the third nation countries.” – Recruitment director

“Of course, globalization has had big influence on development, did we want it or not and we should keep on track if we do not want to end up being left outside of the global development. Finland as a small country can hardly survive independently so we should follow the mass. – Director of sales

As we got some professionals in HR field among our interviewees we created extra question to find out about international recruitment processes and what are the special issues to pay attention on.

Our interpretation was that as a result of globalization, economics changed in structure and therefore management policies of many businesses including Human Recourse practices. Some restrictions support sustainable growth and others for example stimulate international migration by decreasing bureaucracy and ease movement of labour. But there are still legislation and cultural differences carried in mind. Summarizing gathered answers the main challenge while practicing international recruitment are first legislation difference and bureaucracy, which sometimes put companies, based on material or time saving reasons use help of local specialists. Second are cultural differences and differences in values of people, where for representatives of some nationalities the job title is more important than higher salary. The last important issue was recognition of degrees because of differences in requirements between countries.

“Companies doing international recruitment are usually not fully aware of specific legislation and bureaucracy of the country where recruitment is done. Lack of wider cultural differences’ awareness causes problems as well. For example when companies, based on economic reasons, are trying to organize the process of recruitment by themselves, without local knowledge, there appear problems in many stages of recruitment process. Also in some countries the mental attitude and commitment towards work is

different and employees from abroad might go easily for a better title or a smaller salary without any second thought.” – Master in engineering

“Such criteria as Professionalism in Social and health care plus Finnish language were at the main importance for Kymerekry. The point was that every person could come as he or she is. Because all of us are unique human beings and we are constantly developing ourselves. The challenges in recruitment from abroad are the physical and mental distance between recruited and employers because of lack of natural interaction relationship. When the culture is same, it is easier to be yourself and communicate during interviews. Familiarity and trust are born in local recruitment easier?” – Recruitment Director

“When recruiting from outside of EU, companies mainly use recruitment services provided by specialist in the HR field for help, because of complexity in legislation and other bureaucracy issues country requires.” – Recruitment Director

““The most difficult thing is recognition of foreign degrees. The title might be the same, but the level of knowledge different than Finnish one. I also believe that this is a future recruitments problem.” – Recruitment Director

“Working titles might be same, but the knowledge required is different, so companies while recruitment have to make it clear for recruiters what skills are needed to be able to accomplish the work. Also knowledge of differences in recruitment processes and working methods are recruiters’ responsibility.” – Chief of international operations

“Cultural differences, labour practices in the professional sector, safety functions, different concept of time and also a question what is efficient and what is not are the questions I find important talking about international recruitment.” – Project coordinator

“The first thing that pops into my mind is language and cultural differences. These two have a great effect on people’s efficiency, comfort at working place, trust to employer and co-workers and general understanding of each other. Legislation and custom issues

are also important to get familiar with as there might be difference comparing these to recruited employees home country.” – Director of sales

Third question: “What are the positive and negative sites in creation of international work environment?”

The main benefit occur in international environment and according to the interviewees there is growing understanding of culture differences, followed by opportunity of using different languages and constant upgrading of skills which in turn boost development. One can see international environment as only field full of opportunities and overall it is seen as positive occurrence at work. In other words interviewees find that international environment increases competitive advantage, creates more dimensions and knowledge for businesses, which match with our opinion and other experts, discussed in first chapter. Our interpretation is, that there are more positive rather than negative sides in international environment. According to subchapter “Creation of new strengths via diversity” In positive case cultural diversity potentially increases development between workforce, by starting from enhancing cultural knowledge and languages, therefore increase variety of skills available, production, innovation, goods and services. As was found in subchapter chapter “Impact of immigrants on the Labour Market” immigrants mainly contribute to public finances, support the development on new industries and create new jobs, by fulfilling the labour shortages and which in turn leave space for government to upgrade skills of native population.

“There are not bad sides, in international water spring there are only opportunities. They might become threats or obstacles only if you take them as once, instead of trying to find the solution to overcome, sort of, uncomfortable situations and make use of it.”

“The understanding of different cultures changed for better, as travelling for work has become more common thing. The Finns today are more aware about different cultures and therefore cooperation between colleagues and partners is easier than some years ago.” – Chief of international operations

“International environment gives the opportunity to use various languages, to work with people from different cultural backgrounds and constantly upgrade new skills. For the bad sides, I would say, the ways of working can be quite different even within EU, so you have to be very precise, to avoid unpleasant situations.” – Project co-ordinator

“The richness of cultures and diversity gives a lot to working place; also possibilities for development are bigger between international employees. For the bad sides the understanding of cultural differences is a challenge.” – Sales Director

“The understanding of different cultures is growing, language skills get better, opportunities to enhance network and develop communication skills.”

– Master of engineering

In negative case the creation of international work environment and employment of immigrant workers might also create competition for jobs with local workers and bring earnings down if they work for a lower wage. Therefore talking about additional workforce from overseas Sales Director answered:

“I believe we have enough work force among people currently living in Finland, we should concentrate on educating them and employed instead of bringing employees from other countries”.

Fourth question: “Whether it is and how beneficial is employment of immigrant workers?”

As we have concluded in first chapter many employers are seen as a key beneficiary using foreign workers to fulfil labour shortages, or hard-to-fill positions which are left refused by native population based on such reasons as unattractive status, lower payment or non-correspondence to education, plus making profit from using qualified workforce for a lower cost. Therefore we wanted to hear what our interviewees think about employment of immigrants and carried out benefits for their businesses.

Not all could provide an answer but who did commonly agreed that employment of educated and highly qualified immigrants is profitable for businesses. As was mentioned in first chapter, innovation might be boosted by highly educated immigrants, who are specialized in technological and scientific occupations and our interviewees agreed on that plus said that knowledge of highly skilled immigrants should be used more widely than it is used now.

“If immigrant is qualified then yes it is beneficial.” – Chief of international operations

“I believe that every person has its own calling of education, and therefore not everyone are suitable for any job. Naturally we could educate immigrants more or get already educated professionals from abroad to fill labour shortages.” – Recruitment director

“The receiving of highly educated professionals such as doctors for example is very beneficial for Finland because the education is expensive and so, great deal of money would be saved. The better and more efficient use of immigrants’ knowledge would be good” – Project co-ordinator

Fifth question: “Does Finland benefit from the free movement of labour within EU member states?”

As we wrote at the second chapters, after Finland joined the European Union in 1995, and the Eurozone in 1999 providing country with large range of different migration opportunities, Finnish citizens got the right to move for work, study freely within the European Economic Area (EEA). As the approach of CME countries Finland attempted to regulate its labour market using offered pool of employees, in this case labour force from abroad. It has supposed to increase efficiency of labour markets and cultural exchanges, provide country with better-trained workers and with opportunity for citizens to broaden their horizons. It has become easier for employee to move from one country to another for work within EU. The free movement of labour encourages companies to hire personal they need from different countries if it is competitive and beneficial for businesses. There are less legal issues, paperwork and time con-

suming proceedings. EU is constantly working on improving mobilization of employees to make movement of labour easier for both employers and employees. Despite on that the EU-intra migration especially in the Nordic countries has not yet been as high as expected. That is why we asked our interviewees what they think and whether Finland benefit from free movement of labour from business point of view.

Mainly our interviewees find that Finland benefit from EU freedoms. It was mentioned that it brings competitive advantage to the country. Because of fewer differences between cultures the adaptation of newcomer to new work environment happens faster. The bureaucracy and legislation issues are indeed simplified between EU member states and so companies find recruitment processes easier within EU rather than in case of recruitment for example from Philippines, where in latter local knowledge would be necessary.

“Before people needed work permits to work abroad, except those, who came from the Nordic countries. This process significantly slowed down companies’ flexible operation. The free movement of labour within EU has brought its member states including Finland a great competitive advantage compared to USA and Asia.” – Master in engineering

“Within EU member states the cultural differences are smaller, compared to other countries. Therefore it is easier for new employees to adapt to new country and its working environment.” – Recruitment Director

“Yes, I believe on a certain point. Of course Finland is not the number one country to move for work, but in certain working fields we have high level of knowledge and experience. At the moment Finland is more a giving than a receiving country. Our experts tend to move abroad for their career” – Project co-ordinator

The latter comment supported the opinion that Finland is suffering from a “brain drain” and that “low level of internationalization is still one of the key weaknesses of the Finland compared with Finland’s competitors. As writes Koivukangas (2002, 11) at his article ” The need for multicultural approach in Finland ” the amount especially

young and educated people moving abroad for work or study is constantly growing and hopefully they return back to Finland as a multicultural country, hoping they contribute to the economy with gained knowledge and experience.

Sixth question: “How have Finnish employees’ attitude towards international work force changed during the years?”

Starting with globalization influence on cultural and social life caused the changes in Finnish society. Even though Finland has never been considered as country of labour migration and measured in terms of population shares of foreign people living in the country is below average comparing with other member states of EU 27, the immigration is constantly growing and becoming inevitable feature of economy and in our interpretation of society. The immigration policies among others have been constantly improved and the native population experienced the change as well. As we have learned from second chapter there is existence of xenophobia among native population towards other ethnic groups. Therefore by following question we would like to find out whether our interviewees have seen any changes in behaviour of Finns towards foreigners during last decades.

As we found out three of answered fourth interviews noticed significant change among native population towards foreigners. They said that natives became more tolerant and accepting towards other ethnics and it is become normal to be surrounded by people speaking different languages and wearing different cultural cloths comparing to situation 10 years ago. The negative attitude of Finns towards foreigners during 1990’s might be explained by high flow of immigrants during deep recession times and consequently bed unemployment situation times according to Koivukangas (2002, 11).

Feedback which employers get from native employees about foreign once is mainly positive. And some find Finland quite modern and intelligent country, which is open toward any innovation and development.

“The language skills have developed a lot during last 10 years. Many people are accepting the international environment and also there are more employers recruiting and dealing with foreign employees”

– Master in engineering

“Nowadays to have employees speaking different languages or having special religious clothes became more usual. We have become more affirmative and used to be surrounded by foreigners.” – Sales Director

“Time has made changes in attitude of natives towards foreigners here in Finland during past 10 years. The situation became better and today it is not unusual to work in international environment, there are people coming from different backgrounds and speak different languages. Those who have moved from abroad or those whose parents are immigrants.” Recruitment Director

“I find Finland has always been very open towards development, therefore Finns are open minded towards foreigners and speak well foreign languages.” – Chief of international operations

“Finns have become more tolerant and mainly I have received positive feedback about foreign employees from native employees. As I understand there is going on a lot of conversations in the media on this matter and it is mainly positive.” – Project coordinator

From these answers we were able to conclude that globalization definitely has its influence on Finland and its economy, political practices and therefore on business management. Employment of qualified immigrants or people coming or having foreign background is beneficial, as it brings diversity and stimulates development at work environment. It should not be necessarily hiring people from overseas because here in Finland is already quite an amount of immigrants whose abilities should be better used except these fields there are clear labour shortages as for example in IT, service work and healthcare. Finally the negative attitude of natives towards immigrants is changing for more positive and acceptable.

6 Final conclusion

In this last chapter we will summaries our main findings from first two chapters of theoretical parts and finally make our conclusions based on case study and research.

6.1 Summary

The effect of globalization is complex and its impact is unique as an influenced environment, which has created during history. Therefore the effect occurs with different speed and strength in different countries, having own trends as well as negative and positive side effects, which mainly depends on efficient reaction of government toward development. In case of Finland globalization and immigration took place during the same and challenging time of recession in 90's. That has created a number of problems such as high unemployment rate among immigrants as well as appearance of xenophobia among native population.

Today Finland is undergoing a period of demographical changes which means that soon labour supply will not be enough to replace retiring work population. Additionally there are new job creations foreseen in such fields as business services, health care, research and IT. To resolve these problematic situations, employment of immigrants could help and therefore employers hire immigrants because their businesses simply could not operate without. The need seems not to go away and even worse it is going to increase. Someone argues (Dicken 2011, 521) that immigrants not only fill important jobs but some potential tasks might stay even unperformed without using foreigner labour force.

As always things are not as simple as they seem to be. Looking from the positive perspective, the employment of immigrants meet labour shortages or encourages government to up-skill the native workforce, and from the negative side there is a fear of social instability between natives and immigrants. Both have put current immigration policies under big pressure. Today Finland apply its first integration programme of immigrants, which goal is to assist immigrants to adjust to new society as soon as pos-

sible and therefore contribute to the country and its sustainable growth via participation in social and work lives.

6.2 Final Conclusion

It is the case that our wide topic cannot determine an absolute result as it is based on different academic studies and additionally supported by qualitative research based on opinions and experiences of professionals from different fields.

Nonetheless an ideal and complex immigration regulation in addition to appropriate management of diversity with not less important issue such as more respectful and trustful attitude of co-workers and customers towards foreign employees would positively contribute to faster integration process, possibly diminish a gap in unemployment rates between native and foreign population plus stimulate sustainable growth of economy.

As we found from our research there is a growing awareness among native population about the issue and the attitude toward immigrants is changing for the positive where Finns become more tolerant and get use to be surrounded and work with people coming from different nationalities, speaking different languages and having own religious beliefs. Mainly positive changes have been noticed in Finnish working environment, influenced by presence of diverse workforce, where employers get positive feedback about foreigner workers and start to realize that skills of immigrants can be used more widely.

The message of our study is that there is a change happening in Finnish society. There is a quite an amount of people with foreign background who stay, whether temporarily or permanently, and the number continues to grow. Therefore the acceptance of the fact by natives would support the present reform in immigration policies. Maybe not yet but in the near future all the investment into integration of immigrants and their children will be great benefit and resource for the whole country.

The conclusion is that there is no one correct answer and our learning's are that the increased need on immigration leads rather to economic expansion, than to job losses, competition with natives or lower salaries. The work places influenced by international workforce are more likely to change work styles and become even more productive, in case of applying proper management. The awareness among natives about the issue is growing and hopefully will support present reform in the future. Even such an ambitious goals; as increasing of innovative, fast growing and internationalizing companies, decrease of unemployment etc, are possible, even though, as Koivukangas (2002, 2) said: "it will be a long way with many challenges for the nation to go".

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Attachments

Attachment 1. List of words.

EU	European Union
IT	Information Technology
HR	Human Resource
MNC	Multinational Corporation
SHOK	A Finnish company - Strategisen huippuosaamisen keskittymät
EEA	European Economic Area
AIESEC	The world's largest student-run organisation
OECD	Organisation for Economic Cooperation and Development
UN	United Nations
NGO	Non-governmental organization
ELY Centres	A Finnish company
KELA	The Social Insurance Institution
TEHY	A Finnish profession union for Healthcare
MEDIKO	A non-profit humanitarian service organization
CV	Curriculum Vitae
EKAMI	A University of Applied sciences in Etelä-Kymenlaakso
Recruitment	The process of attracting qualified person to work for available position
Selection	The act of choosing someone and, in our study, refers to the process of selecting qualified people for a position
HR management	Human Resource control
Labour market	The supply of people in a particular country or area who are able and willing to work

Attachment 2. Interview

1. How important is to recruit internationally for Finnish companies, when we look from developing point of view?

- “Crucial, the possibilities to grow are easily destroyed by staying only in Finland.” –Master in engineering
- “It depends on the field, we have fields where Finns are the top professionals, but there are also fields where we need help from outside, to keep up with the competition.” – Director of sales
- “Fundamental, if a company wants to take a part in international competition. It became necessary to have employees from abroad. Thinking from the profitable point of view, Finland needs international employees.” – Chief of international operations
- “Absolutely we need it. It creates new market areas form the companies and a possibility for international work force movement. Finland can get professionals from abroad such as engineers from India.” – Project co-ordinator
- “I believe it is very important, to keep up with the international competition and to get Finland in the leading countries. 10 years ago situation was better in Finland and now if we want to be part of the global development, we need help from other countries, preferably also from the third nation countries.” –Recruitment director
- “Of course, globalization has had big influence on development, did we want it or not and we should keep on track if we do not want to end up being left outside of the global development. Finland as a small country can hardly survive independently so we should follow the mass. – Director of sales

2. What are the special issues to pay attention on during international recruitment process?

- “Companies doing international recruitment are usually not fully aware of specific legislation and bureaucracy of the country where recruitment is done. Lack of full awareness in cultural differences causing problems as well. For example when companies, based on economic reasons, are trying to organize the process of recruitment by themselves, without local knowledge, there appear problems in many stages of recruitment process. Also in some countries the mental attitude and commitment towards work is different and employees from abroad might go easily for a better title or a smaller salary without any second thought.” – Master in engineering
- “Such criteria as Professionalism in Social and health care plus Finnish language were at the main importance for Kymerekry. The point was that every person could come as he or she is. Because all of us are unique human beings and we are constantly developing ourselves. The challenges in recruitment from abroad are the physical and mental distance between recruited and employers because of lack of natural interaction relationship. When the culture is same, it is easier to be yourself and communicate during interviews. Familiarity and trust are born in local recruitment easier?” – Recruitment Director
- “When recruiting from outside of EU, companies mainly use recruitment services provided by specialist in the HR field for help, because of complexity in legislation and other bureaucracy issues country requires.” – Recruitment Director
- “The most difficult thing is of foreign degrees. The title might be the same, but the level of knowledge different than Finnish one. I also believe that this is a future recruitments problem.” – Recruitment Director
- “Working titles might be same, but the knowledge required is different, so companies while recruitment have to make it clear for recruiters what skills

are needed to be able to accomplish the work. Also knowledge of differences in recruitment processes and working methods are recruiters' responsibility." – Chief of international operations

- "Cultural differences, labour practices in the professional sector, safety functions, different concept of time and also a question what is efficient and what is not are the questions I find important talking about international recruitment." – Project co-ordinator
- "The first thing that pops into my mind is language and cultural differences. These two have a great effect on people's efficiency, comfort at working place, trust to employer and co-workers and general understanding of each other. Legislation and custom issues are also important to get familiar with as there might be difference comparing these to recruited employees home country." – Director of sales

3. What are the positive and negative sites in creation of international work environment?

- The main benefit occur in international environment and according to the interviewees there is growing understanding of culture differences, followed by opportunity of using different languages and constant upgrading of skills which it turn boost development. One can see international environment as only field full of opportunities and overall it is seen as positive occurrence at work. In other words interviewees find that international environment increases competitive advantage, creates more dimensions and knowledge for businesses, which match with opinion of our and other experts discussed in first chapter. Our interpretation is, that there are more positive rather than negative sides in international environment. According to subchapter "Creation of new strengths via diversity" In positive case cultural diversity potentially increase development between workforce by starting from enhancing cultural knowledge and languages, therefore increase variety of skills available, production, innovation, goods and services. As was found in subchapter chapter "Impact of immigrants on the Labour Market" immigrants mainly

contribute to public finances, support the development on new industries and create new jobs, by fulfilling the labour shortages and which in turn leave space for government to upgrade native population.

- “There are not bad sides, in international water spring there are only opportunities. They might become threats or obstacles only if you take them as once, instead of trying to find the solution to overcome, sort of, uncomfortable situations and make use of it.”
- “The understanding of different cultures has become better as travelling for work has become more common thing. The Finns has become more aware about different cultures and therefore cooperation between colleagues and partners became easier than some years ago.” – Chief of international operations
- “International environment gives the opportunity to use various languages, to work with people from different cultural backgrounds and constantly upgrade new skills. For the bad sides, I would say, the ways of working can be quite different even within EU, so you have to be very precise, to avoid unpleasant situations.” – Project co-ordinator
- “The richness of cultures and diversity gives a lot to working place; also possibilities for development are bigger between international employees. For the bad sides the understanding of cultural differences is a challenge.” – Sales Director
- “The understanding of different cultures is growing, language skills get better, opportunities to enhance network and develop communication skills.” – Master of engineering
- “I believe we have enough work force among people currently living in Finland, we should concentrate on educating them and employed instead of bringing employees from other countries”.

4. Whether it is and how beneficial is employment of immigrant workers?

- “If immigrant is qualified then yes it is beneficial.” – Chief of international operations
- “I believe that every person has its own calling of education, and therefore not every-one are suitable for any job. Naturally we could educate immigrant more or get already educated professionals from abroad to fill labour shortages.” – Recruitment director
- “The receiving of highly educated professionals such as doctors for example is very beneficial for Finland because the education is expensive and so great deal of money would be saved. The better and more efficient use of immigrants’ knowledge would be good” – Project co-ordinator

5. Does Finland benefit from the free movement of labour within EU member states?

- “Before people needed work permits to work abroad, except those, who came from the Nordic countries. This process significantly slowed down companies’ flexible operation. The free movement of labour within EU has brought its member states including Finland a great competitive advantage compared to USA and Asia.” – Master in engineering
- “Within EU member states the cultural differences are smaller, compared to other countries. Therefore it is easier for new employees to adapt to new country and its working environment.” – Recruitment Director
- “Yes, I believe on a certain point. Of course Finland is not the number one country to move for work, but in certain working fields we have high level of knowledge and experience. At the moment Finland is more a giving than a receiving country. Our experts tend to move abroad for their career” – Project co-ordinator

6. How have Finnish employees attitude towards international work force changed during the years?

- “The language skills have developed a lot during the last 10 years. Many people are accepting the international environment and also there are more employers recruiting and dealing with foreign employees” – Master in engineering
- “Nowadays to have employees speaking different languages or having special religious clothes became more usual. We have become more affirmative and used to be surrounded by foreigners.” – Sales Director
- “Time has made changes in attitude of natives towards foreigners here in Finland during past 10 years. The situation became better and today it is not unusual to work in international environment, there are people coming from different backgrounds and speak different languages. Those who moved from abroad or whose parents are immigrants.” Recruitment Director
- “I find Finland has always been very open towards development, therefore Finns are open minded towards foreigners and speak well foreign languages.” – Chief of international operations
- “Finns have become more tolerant and mainly I have received a positive feedback about foreign employees from native employees. As I understand there is going on a lot of conversation in the media on this matter and it is mainly positive.” – Project co-ordinator

Attachment 3. Case study Spain 2 front pages.

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Sairaanhoitajien rekrytointi Espanjasta Kymenlaaksoon

Itä-Suomen avoin yliopisto
Työ- ja organisaatiopsykologian perusteet
AY7024107b 3 op
Organisaation johtaminen
Sari Leppänen
~~Ugta~~ 071271-012W
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